

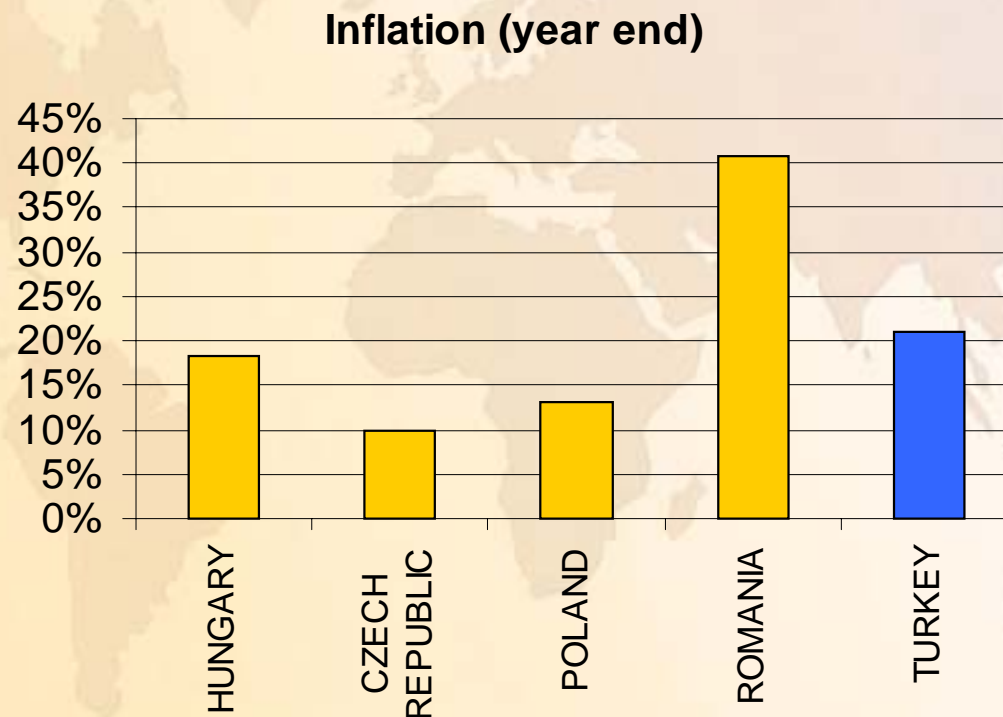


TURKEY
Financial challenges for integrating the EU

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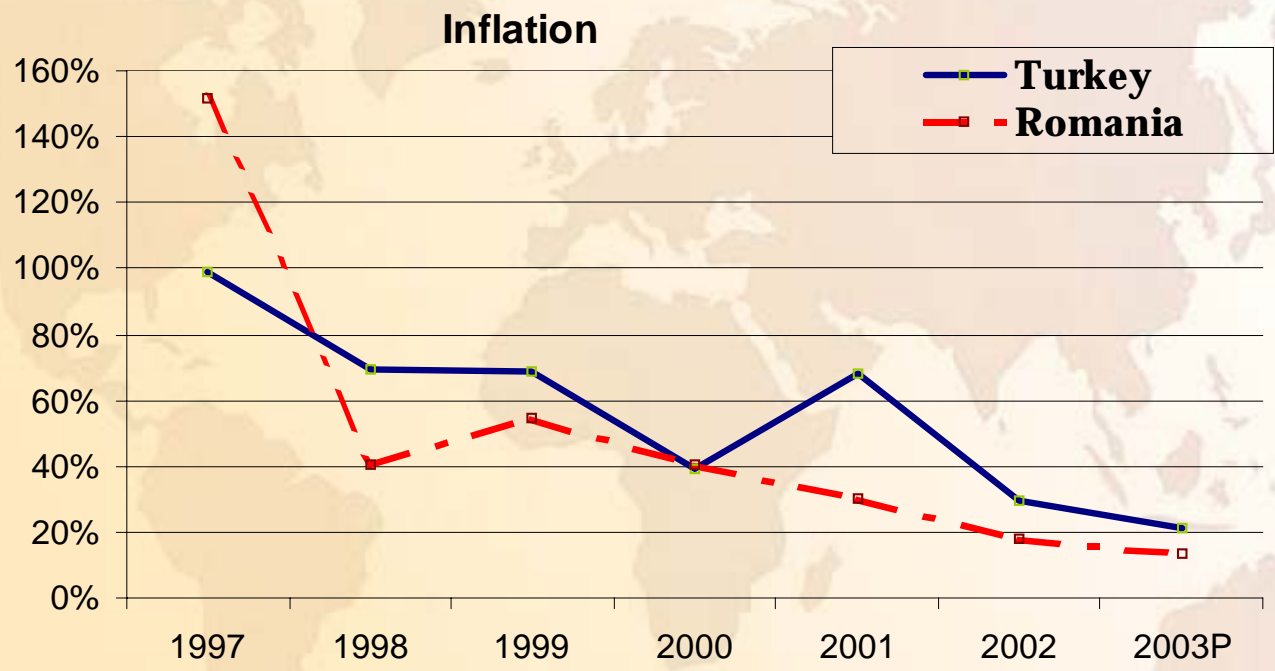


»» 1 – Fighting inflation : the level is not so high





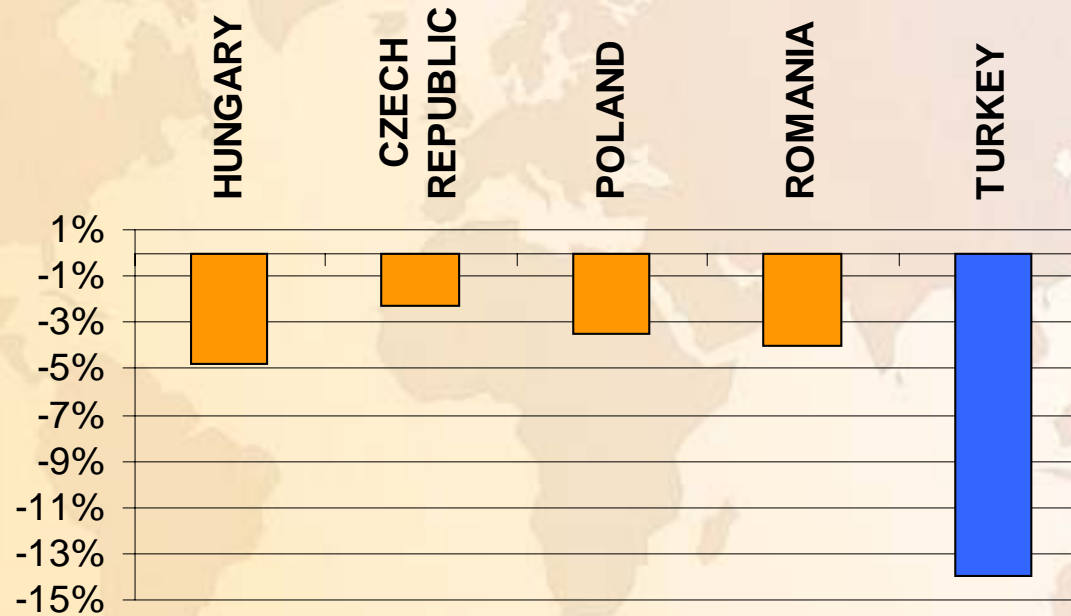
and the dynamic is encouraging...

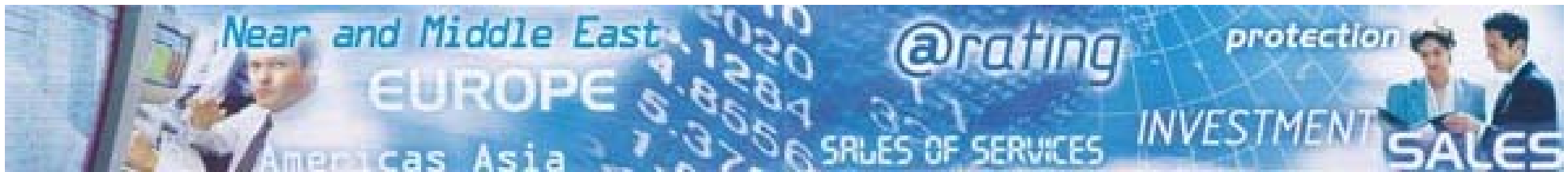




2 – the burden of public finance

General Government balance / GDP

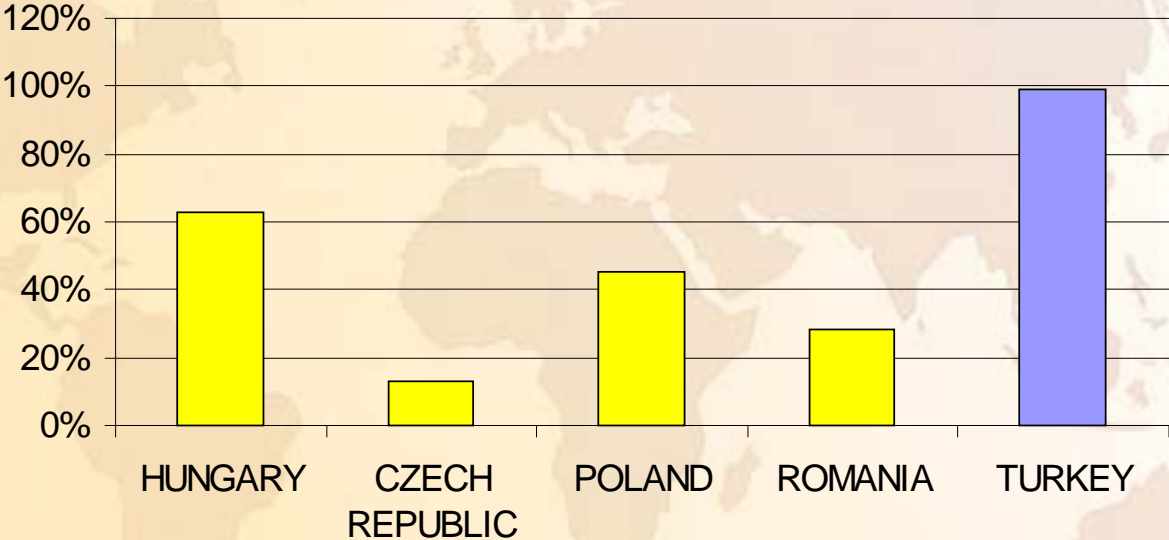






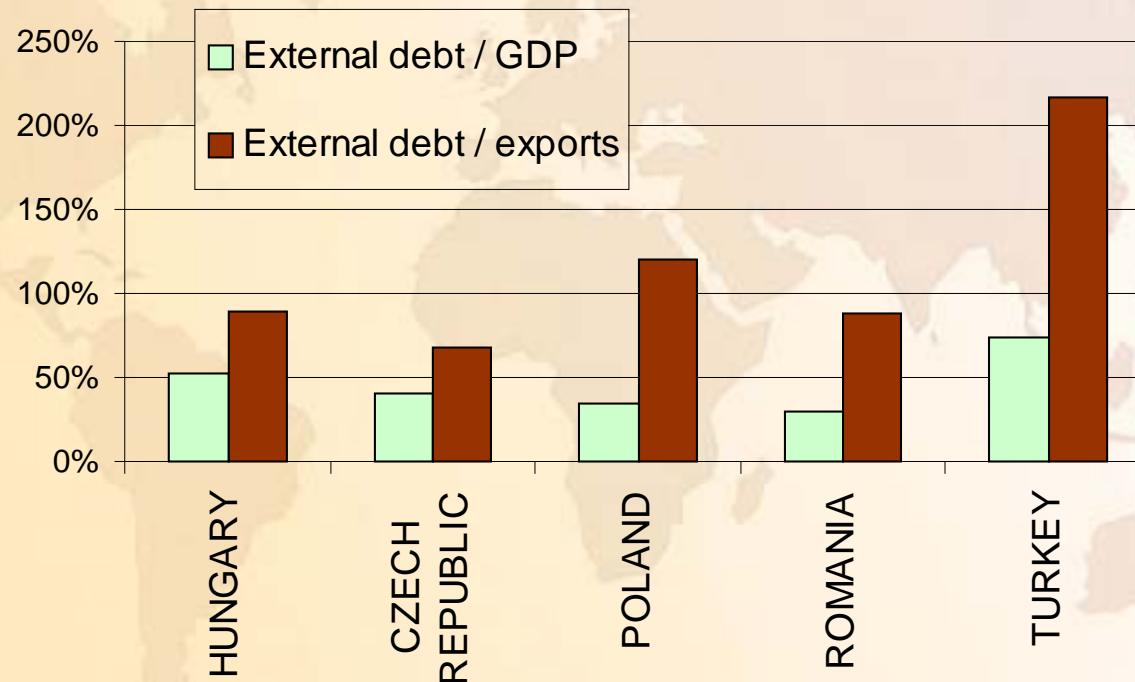
The stock of public debt is too heavy

Public Debt / GDP

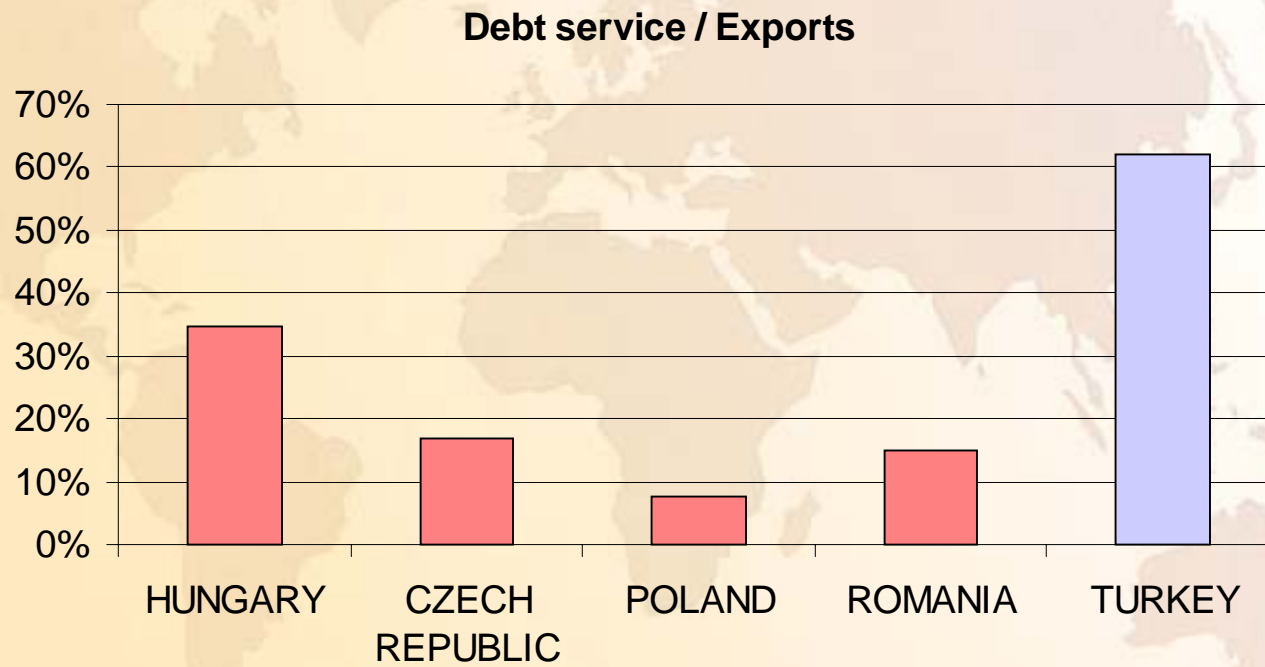




3 – External debt is a middle term challenge



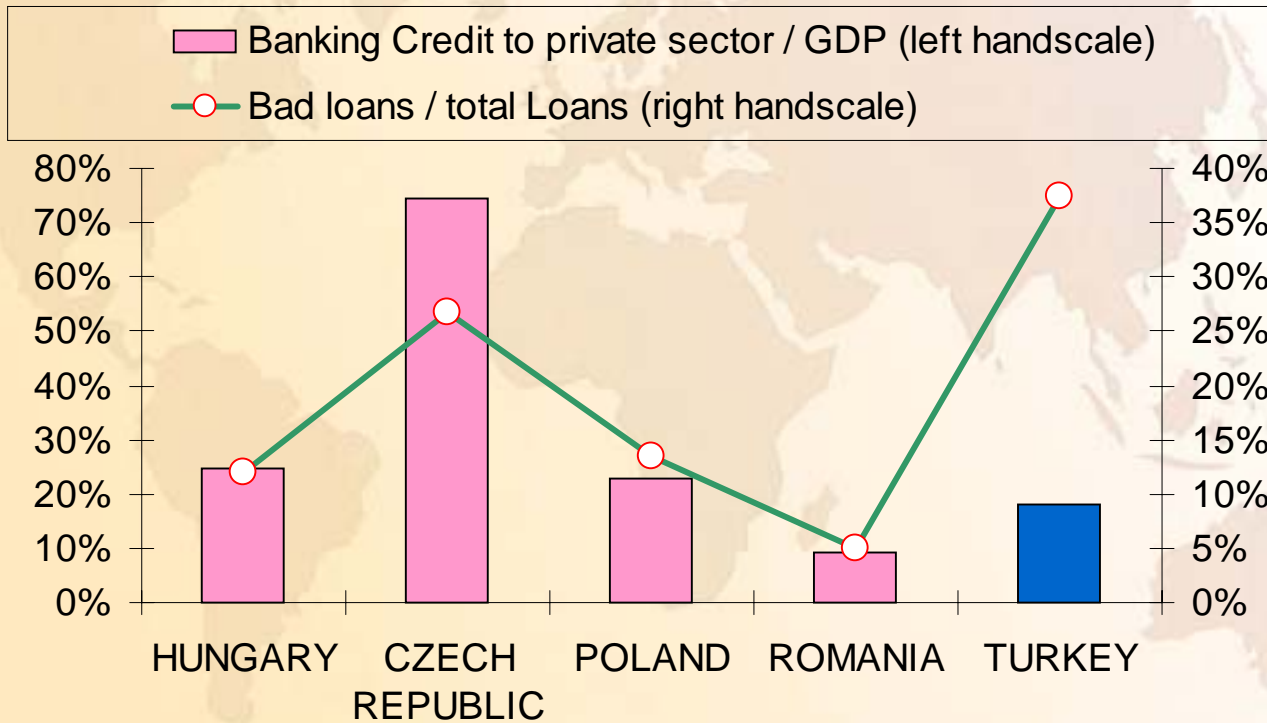
»»» **Turkey is still dependent on foreign financing**







4 – Banking reform is going forward





- **Public debt instruments = 40 % of banks' assets**
- **with decreasing interest rates, banks have to find new source of profits such as credit to the real economy**
- **The weight of «connected lending », foreign currency deposits level (50 bns dollars) and deposit insurance scheme are the main issues**

